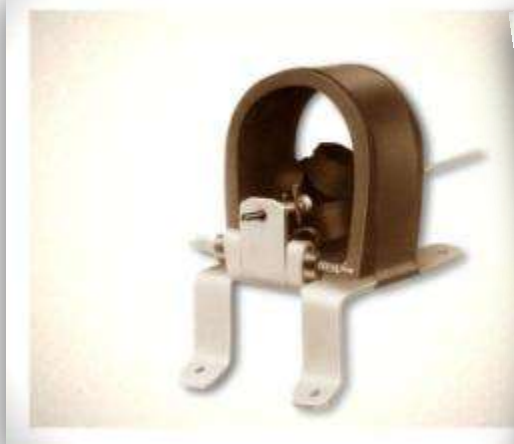


Social & Environmental Report 2013



**The Mabuchi Group
Social & Environmental
Report 2013**





Actuating Your Dreams

Mabuchi Motor was born and has grown together with dreams.

The dreams of children, technicians, and our customers. We have continued to move forward and grow, fulfilling the dreams of many people.

Moving into the 21st century, the age of change, small electric motors as functional components continue to create new dreams in various situations around the world while supporting the lives of people and society.

Thinking of the present and the future, we will continue to generate the power needed to realize each and every one of these dreams by steadily supplying the people around the world with high-quality products at attractive prices.

Corporate Outline

- Trade name: Mabuchi Motor Co., Ltd.
- Established: January 18, 1954
- Field of Operations: Manufacture and sales of small electric motors
- Capital: 20,704.81 million yen
- President: Hiroo Okoshi
- Employees: Head Office: 732
Mabuchi Group: 29,058
(as of December 31, 2012)
- Consolidated Business Results
 - Net sales 85,254 million yen
 - Net income 6,385 million yen
 - (FY 2012 ended Dec. 31)
- Head Office: 430 Matsuhidai, Matsudo-shi,
Chiba-ken, 270-2280 Japan
Tel.: +81-47-710-1111
- Technology Center: 280 Ryufukuji, Inzai-shi,
Chiba-ken, 270-2393 Japan
Tel.: +81-47-710-1222

History of Mabuchi's Environmental Activities

- 1993 The Management Guideline "Conduct corporate activity which preserves the earth's environment and protects human health" is explicitly stipulated.
- 1997 The Environmental Management Committee is established to take specific measures against environmental problems.
- 1998 Mabuchi Group's Basic Environmental Policy is established.
- 1999 ISO 14001 Certification is acquired.
- 2000 Start of green procurement activities
(Selection and evaluation of alternative materials for the production of cadmium-free motors are completed.)
- 2001 Publication of the Environmental Report is started.
Preparations for the commercial application of lead-free soldering are completed.
- 2002 Shipment of hexavalent chromium-free sample motors is started.
- 2004 The new Head Office building incorporating advanced energy-efficient technologies is completed.
- 2006 The production policy is switched to the production of motors complying with the EU's RoHS and ELV directives.
Held a green procurement explanatory meeting at all production bases.
- 2008 The report title is changed to the Social & Environmental Report (report on social activities added).
- 2012 The Basic Environmental Policy is revised and established as the Mabuchi Group Environmental Policy.

Editorial Policy

Mabuchi began to publish its environmental report in fiscal 2001. In 2008, we changed the report title from the Environmental Report to the Social & Environmental Report, and enriched the documentation of our social contribution activities in addition to the environmental activities we conduct to preserve the global environment.

As a corporate citizen, we will continue to be fully accountable for our CSR approach and the results of our activities through the publication of the report. Also, we will continue to improve our performance by further promoting communication with all stakeholders of the Mabuchi Group.

In consideration of the environment, this report is published on our website in PDF format and not available in printed format.

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Period: Fiscal 2012 (January 1, 2012 - December 31, 2013)

Activities covered: Environmental and social contribution activities related to the design, manufacture, and sales of motors and provision of services

Scope: The Mabuchi Group

[Corporate Headquarters]

Japan • Mabuchi Motor Co., Ltd. (Head Office)

[Production Bases]

China • Mabuchi Industry Co., Ltd. (Hong Kong Mabuchi)
 • Mabuchi Motor Dalian Co., Ltd. (Dalian Mabuchi)
 • Mabuchi Motor (Jiangsu) Co., Ltd. (Jiangsu Mabuchi)
 • Mabuchi Motor (Dongguan) Co., Ltd. (Dongguan Mabuchi)
 • Mabuchi Motor Wafangdian Co., Ltd. (Wafangdian Mabuchi)
 • Mabuchi Motor (Yingtian) Co., Ltd. (Yingtian Mabuchi)
 • Mabuchi Precision (Dongguan) Co., Ltd. (Ludong Mabuchi)
 • Mabuchi Motor Dongguan Daojiao Co., Ltd. (Daojiao Mabuchi)
 • Mabuchi Motor (Jiangxi) Co., Ltd. (Jiangxi Mabuchi)

Taiwan • Mabuchi Taiwan Co., Ltd. (Taiwan Mabuchi)
 • Mabuchi Motor Taiwan Ltd. (Kaohsiung Mabuchi)

Vietnam • Mabuchi Motor Vietnam Ltd. (Vietnam Mabuchi)
 • Mabuchi Motor Danang Ltd. (Danang Mabuchi)

[Sales Offices]

• Mabuchi Motor (Shanghai) Co., Ltd. (Shanghai Mabuchi)
 • Mabuchi Motor (Shanghai) Co., Ltd. Chongqing Branch (Chongqing Mabuchi)
 • Mabuchi Motor Trading (Shenzhen) Co., Ltd. (Shenzhen Mabuchi)
 • Mabuchi Taiwan Co., Ltd. (Taiwan Mabuchi)
 • Mabuchi Motor Korea Co., Ltd. (Korea Mabuchi)
 • Mabuchi Motor (Singapore) Pte. Ltd. (Singapore Mabuchi)
 • Mabuchi Motor (Europe) GmbH (Europe Mabuchi)
 • Mabuchi Motor America Corp. (America Mabuchi)

Publication date: May 2013 (next publication: May 2014)



Message from the President

Thoroughly pursue the possibilities for small DC motors and contribute to the realization of a sustainable society as a special manufacturer.

In 1971, Mabuchi Motor established its management principle “Contributing to International Society and Continuously Increasing Our Contribution.” Since then, as a fundamental belief that runs through all the activities in Mabuchi Group, the spirit of the management principle has been passed along throughout the years and across borders. I believe the only way for Mabuchi to be an everlasting company is to steadily fulfill the management principle.

Meanwhile, no company can exist if it is isolated from society. Similarly, no company can exist without a sustainable society. Recent discussions about CSR (Corporate Social Responsibility) and CSV (Creating Shared Value) point out the importance of creating value for both the company and society through the company’s core business activities,

as well as the need for good governance, compliance, and social action programs to be performed as a corporate citizen. In other words, CSR is a fundamental way of thinking about business itself, which is exactly the same as our management principle. The small DC motors we are manufacturing and selling are characterized by light-weight and high efficiency. In addition, we have many experts in small DC motors. Mabuchi Motor’s most important mission as a special manufacturer is to contribute to reducing the size and weight of our customers’ final products, and thereby conserve energy and resources society-wide, by utilizing the outstanding features of our small DC motors and our technology and wisdom. Therefore, we are going to focus on thoroughly pursuing the potential uses and benefits of small DC motors and polish up their value.



May 2013
Mabuchi Motor Co., Ltd.
President and
Representative Director

Hiroo Okoshi

大越博雄

Furthermore, we are creating employment in our host countries as we develop our business overseas and transfer our technologies to these countries. In doing so, we supply large volumes of inexpensive, high-performance and high-quality motors to markets of the host countries, and that results in our contribution to economic development in those countries. Moreover, we are actively working on social action programs as a corporate citizen. Specifically we are referring to utilizing motors to support educational activities for young people who go on to take leading roles in the future society. Mabuchi Motor's starting point originated from our desire to create motive power which children of the world could enjoy safely. During Mabuchi's foundation period, our pioneers were dedicated to manufacturing good-quality and inexpensive motors for the purpose of delivering electrically powered toys at prices available for everyone.

For children, motors are enjoyable and interesting, and their encounter with motors may give them an opportunity to develop an interest in making things or in technology. People are creators of the societies of the future, and it is extremely important for international society to foster and train next-generation engineers. By offering educational opportunities to experience various applications for our motors, we can contribute to fostering engineers who will play leading roles in the future, and we may influence future technologies and products using our motors, which will give us great pleasure.

All members of the worldwide Mabuchi Group companies are sharing our management principle, aware that a company exists in order to contribute to society and people's happiness, and guiding their daily activities with this knowledge. Your understanding and support for our activities would be greatly appreciated.

Management Principle

“Contributing to international society and continuously increasing our contribution.”

Management Guidelines

1. By bringing better and more reasonably priced goods to the market, we contribute to the creation of a more affluent society and more comfortable lives for everyone.
2. Contribute to the leveling of international economic disparities and to economic development in other countries through the creation of employment opportunities and technology transfers.
3. People are the most important managerial resource. Realize human potential through work and teach people to become productive members of society.
4. Conduct corporate activity which preserves the earth's environment and protects human health.

Management Policies

1. Develop products that have flexibility in their application and consolidate the most appropriate production conditions.
2. Strive to improve product development based on value analysis and seek to originate interchangeable parts and materials.
3. Realize cost reduction by using advanced processing technologies and by minimizing waste.
4. Uncover new markets and secure fair market share.
5. Maximize each employee's potential and conduct employee education through appropriate job placement.
6. Promote business activities that have minimal negative impact on the environment and that strictly abide by safety standards.
7. To promote management policies and strategies that promise long and stable growth.

Basic Approach to Corporate Governance

The Mabuchi Group recognizes that the fulfillment of the mission stated in our Management Principle:

“Contributing to international society and continuously increasing our contribution” through our small DC motor business forms the very basis of our existence.

- (1) To clearly separate management decision-making and efficient business execution, and to clarify the scope of accountability,
- (2) To build and operate a sound internal control system, namely, to effectively work the internal control system and the management supervision system,
- (3) To appoint a suitable number of independent corporate officers whose interests do not conflict with those of general shareholders to ensure the objectivity and neutrality of management supervision functions,
- (4) To foster a corporate culture in which all Group employees recognize and share the understanding that the practices of corporate ethics and compliance support the organization’s social impartiality and are fundamental to living up to the trust and expectations of all stakeholders, and
- (5) To disclose corporate information to stakeholders such as shareholders in an appropriate, fair, timely and clear manner and to ensure accountability through the Board of Directors, the Audit & Supervisory Board and other bodies.

We will enrich various functions to ensure that these elements are duly implemented.

Establishment of a Structure and a System

The Mabuchi Group employs a system of corporate auditors in which corporate bodies (including independent corporate officers), accounting auditors, and other organizations stipulated by the Companies Act fulfill their respective legal functions. In addition to these organizations, Mabuchi has independently established the Executive Officers Committee, Internal Audit Department (internal audit division) and other organizations related to business execution and internal control. With the participation of these organizations, we have established and are operating a Group-wide governance structure and system.

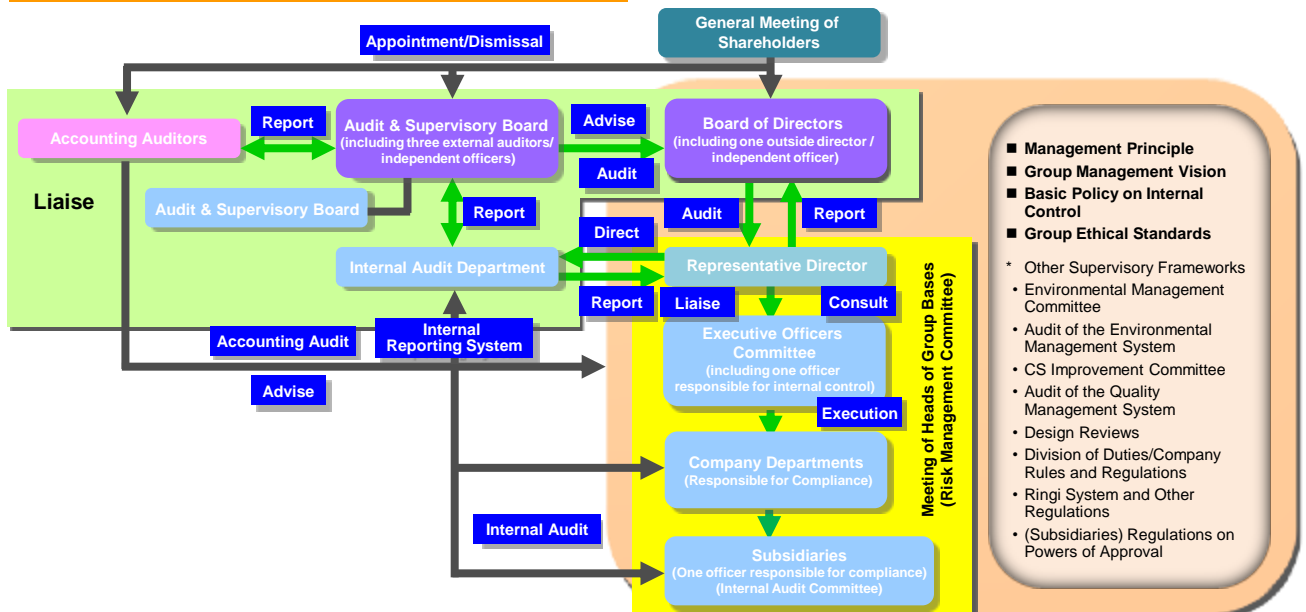
At each of our overseas bases, we also conduct internal control through corporate bodies whose existence is required by the laws of the respective countries and through our internal organizations.

Through the Mabuchi Group Management Vision, we also share our corporate culture and values globally, and are striving to improve our internal control functions throughout the

Group by holding meetings for the management of overseas bases, holding Group-wide meetings, and having the Internal Audit Department conduct operational audits on overseas bases.

Having established the Basic Policy on Internal Control, we are working to strengthen and enhance our risk management system and compliance system.

Corporate Governance Structure (Chart)



■ Mabuchi Motor Ethical Standard

To achieve our Management Principle, “Contributing to international society and continuously increasing our contribution,” we consider it essential to observe laws, ordinances, and regulations in each country and region and to conduct business activities in accordance with corporate ethics required by society.

For that purpose, we have published a pamphlet called “Mabuchi Motor Ethical Standard” detailing the criteria for our conduct and judgments and distributed it to all directors and employees of the entire Mabuchi group.

We update the ethical standard pamphlet occasionally to adapt to the business environment that changes with the times.

We have developed rules and procedures for the particularly important items in the ethical standard, and have been providing education and training to employees at various stages to familiarize them with those items.

We have also held seminars for persons in relevant positions at all production and sales bases in China and Asia to enhance employee’s awareness about compliance. Particular focus was placed on familiarizing employees with Mabuchi’s management policy of valuing compliance and the renewed “Mabuchi Motor Ethical Standard.”

To further strengthen and improve the compliance system, the position of the director responsible for compliance was established at all Mabuchi Group bases in May 2011 with the approval of the board of directors of the Head Office. The director responsible for compliance at each base supervises compliance activities of that base under the overall control of the director responsible for internal control at the Head Office. They take a leading role in strengthening internal control and promoting continuous and autonomous compliance activities at each base.

In 2012, the legal check system concerning the Mabuchi Motor Ethical Standard was established at all bases in order to make timely responses to the revisions of laws.

Also, to continuously rectify and improve inadequate points related to compliance activities,

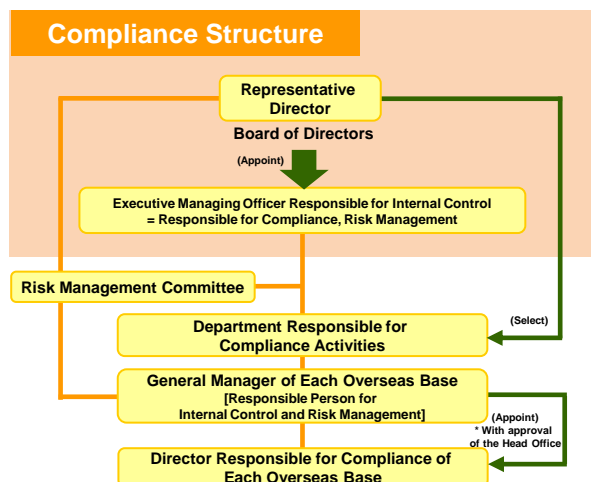
the internal audit department of the Head Office conducts periodical and non-periodical audits on all Mabuchi Group bases, including overseas bases.

■ Ethical Standard Hotline

We have set up the Ethical Standard Hotline in the company to allow all employees to directly inform or consult with the internal audit department about compliance-related information under strict anonymity without using ordinary communication routes (senior managers or existing contact points of each division).

We have also delivered a top management message to all directors and employees promising that the company will never allow those who have consulted with us to be treated disadvantageously because of their consultation. This holds true regardless of whether or not they used the hotline, and is in accordance with the Whistleblower Protection Act.

Our company is always striving to conduct honest and fair business with our suppliers and to build a relationship of trust with them. To address the current social situation in which social misconduct still occurs frequently, we extended the operational range of the Ethical Standard Hotline to some of our suppliers in addition to Mabuchi employees beginning in 2008 with a view to preventing problems in advance and strengthening the misconduct prevention system.



[Basic Policy of Ethical Standard (Outline)]

1. All the directors and employees of the Mabuchi Group will put more priority on observing laws, ordinances and rules in the countries and regions where our companies are located as well as international rules than on the profits and work of our companies.
2. We will strictly refrain from conducts against social ethics by fully recognizing our responsibilities to various stakeholders, including shareholders, investors, and local communities.
3. We will clearly describe particularly important items among laws, regulations and social ethics in such documents as in-house regulations and publicize them widely. All the directors and employees will observe those items sincerely.

Risk Management System

To realize our management principle and secure a steady growth path as a socially important company, we need to adequately manage various risks associated with our business activities.

For that purpose, we established the Risk Management Committee to prevent risks from occurring and minimize damage in the event that a risk has occurred. It is a system that enables us to take the most appropriate response as the entire Mabuchi Group. We have also prepared a response system, a response policy, and various manuals for times of emergency on the basis of the risk management system.

The Risk Management Committee identifies serious risks that need an organization-wide response and groups them into four categories:

1) saving lives (safety), 2) compliance, 3) information security, and 4) disruption of production and supply. A responsible department is assigned to each category. Those departments carry out risk management activities of the entire Mabuchi Group continuously in cooperation with top management and related senior employees.

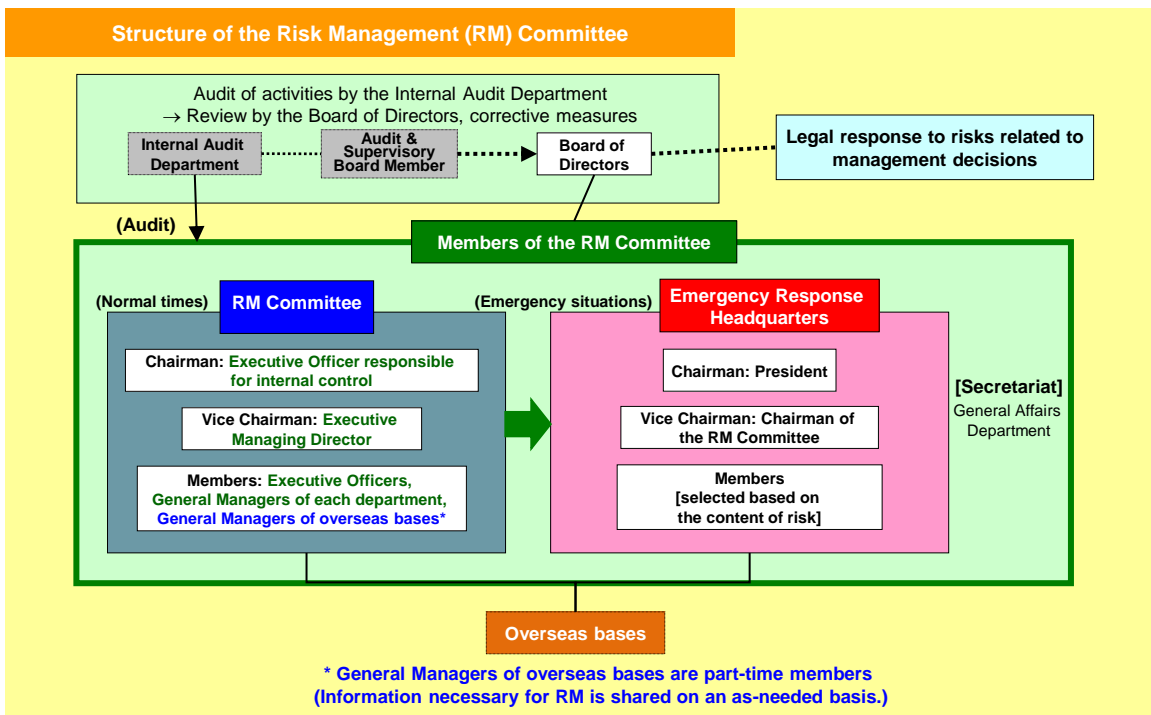
Risks specific to the work of each department are managed by the Mabuchi Group's objectives management system and responses to those risks are taken in each department under rigorous control and with approval of top management.



Drill to report to the Emergency Response Headquarters (Head Office)



Drill to prevent a fall from height (Head Office)



■ Disaster Response Manuals and Disaster Supplies

We prepared and distributed the “Emergency Response Manual for Employees in Case of a Disaster” (upper right) and “Emergency Response Cards for Large-scale Disasters” (lower right), in addition to the “Initial Response and Instructions Manual for Managers.” We also introduced the “SECOM Centralized Safety Confirmation System (for all employees).” Furthermore, a response manual was prepared for each department that plays an important role in the event of a disaster, such as the Human Resources Department, General Affairs Department (including the entrusted provider of building maintenance service), and Information Systems Department, in addition to the response manual for the directors (establishment and operation of the Emergency Response Headquarters).

We also educate our personnel about disaster prevention and carry out various disaster drills (drills for evacuation, reporting, fire extinguishing, disaster relief, safety confirmation, and safe return to home) at least once a year so that employees can calmly take the appropriate action in the event of a disaster.

In addition, we keep in stock disaster supplies such as protective items, equipment, food and drinks, and daily necessities to ensure safety, and accept employees in the company who are unable to return home. The Head Office can secure a large amount of drinking water even when the water supply is disrupted because we use groundwater as our regular drinking water. We are now preparing to conclude a water supply agreement with the Matsudo municipal government so that we can provide drinking water to the affected people in the community in the event of a disaster.



Response Plan for Earthquake Risks (for Directors and Senior Employees) [extract]

<Basic Policy of Earthquake Risk Management>

- Place the highest priority on the safety of people.
- Protect company assets and prevent the expansion of damage.
- Provide relief and support to local communities.
- Ensure an uninterrupted supply of products by continuing business and production activities at overseas bases. Recover the supply within one week if it is disrupted.

<Stockpile of Disaster Supplies and Management>

- Stockpile food and drinks and water for toilets sufficient for three days in case employees are unable to return home.
- Keep an emergency power generator and fuel (sufficient for 24 hours) necessary for the operation of the Emergency Response Headquarters and the protection of the computer system as a way to be prepared for a power outage.
- Set up two priority telephone lines in the Head Office building.
- Take measures to prevent the falling of equipment, apparatus, and furniture in cooperation with the Safety and Hygiene Committee.
- Keep in stock equipment and tools that can be used to recover and urgently repair facilities, apparatus, and furniture and to support the affected employees and local communities.
- Confirm the location of a nearby designated evacuation area just in case it becomes impossible to stay in the company building due to unexpected damage or other reasons.



Evacuation, firefighting, and rescue drills with instructions from the fire station (Head Office)

■ Information Security Policy

We at Mabuchi are striving to create a corporate structure with greater trust in every phase of our activities by closely examining what effect our activities have on the stakeholders.

We consider that one of our corporate social responsibilities is to manage our information assets and information security adequately and to prevent the leak, falsification, loss, and theft of information. Based on this concept, we have established an information security policy with a view to ensuring the safety of information and deepening the understanding of all employees, including directors, about the need for information security and related responsibilities.

(System)

1. We will set up the Risk Management Committee and institute a system or mechanism that enables continuous management, evaluation, and improvement of information security through the activities of the committee.

(Maintenance and management of information assets)

2. We will categorize and organize information assets appropriately and take information security measures in accordance with their importance levels. We will manage information assets strictly by taking particular care when handling information.

(Compliance)

3. Mabuchi's directors, employees, and other workers (hereinafter referred to as "Mabuchi's personnel") will observe laws, regulations, company rules, and contractual obligations with customers concerning information security.

(Education)

4. The necessary education and training will be provided to Mabuchi's personnel continuously to ensure that they understand the importance of information security and behave accordingly.

(Review of this policy and the like)

5. This policy and other related company rules will be reviewed occasionally in response to changes to laws, systems and social conditions, and the results of internal and external audits.

■ Privacy Policy

Recognizing that it is our important obligation to handle and protect information containing individuals' identity (hereinafter referred to as "personal information") adequately, we will strive to protect personal information based on the following policies.

1. Internal system for protection of personal information

We will establish an internal system to realize adequate handling of personal information that is used for our business.

2. Adequate acquisition and use of personal information

We will acquire personal information in a legitimate and fair manner by specifying the purpose of use as clearly as possible. We will use the obtained personal information within the range of specified use.

3. Non-disclosure of personal information to third parties

We will not disclose the obtained personal information to any third party except for in the following cases.

- (1) When the information-provider gives prior consent to disclosure.
- (2) When we provide or disclose personal information to our subsidiaries, agents, and companies that have a confidentiality agreement with us within the range necessary for achieving the purpose of use which was notified or disclosed to the information-provider when we acquired personal information.
- (3) When disclosure is allowed by law or regulation.
- (4) When we judge disclosure to be necessary in terms of laws and regulations.

4. Inquiries about personal information

We will accept inquiries about personal information at the designated contact point.

5. Safe management of personal information

We will take the necessary measures to prevent the loss, falsification, and leak of the personal information we possess.

6. Education for directors and employees

We will provide education and enlightenment activities to directors, employees and workers (including contracted employees, part-time workers, temporary workers, and dispatched employees) so that they understand the importance of personal information and handle it with care.

7. Observance of laws and regulations on personal information

We will observe laws, regulations, and rules concerning the protection of personal information when we handle such information.

8. Continuous improvement of activities for protection of personal information

We will continue to improve its activities for the protection of personal information.

One of Mabuchi's management guidelines is "People are the most important managerial resource. Realize human potential through work and teach people to become productive members of society," and we have been implementing it conscientiously. We are also striving to create a stimulating work environment at every workplace, including overseas bases, by respecting the basic rights of employees and encouraging them to pursue self-development and self-fulfillment individually.

■ Personnel Performance Evaluation System and Self-assessment System

Mabuchi's personnel evaluation system is aimed at ensuring the mutual growth of the company and employees by correctly identifying the contributions of each employee who plays a wide variety of roles in the company. We use the system not only as a management tool but also as a tool for human resources development.

In addition, we consider that the right person in the right place and the creation of a positive work atmosphere are very important in bringing out the best in each of our employees and making the best use of them. With this in mind, we have employees periodically carry out self-assessment to grasp their awareness of work and use the results to achieve these two elements.

■ Short-term Personnel Exchange System

We have been promoting the exchange of personnel since 2009 to improve Mabuchi's overall capability through the increased opportunities to share thoughts and raise awareness about cooperative work. Specifically, staff members of overseas bases are provided with more opportunities to go on business trips to the Head Office. We will continue to enhance the system while implementing it on an ongoing basis.



Technical staff of overseas bases sent by the personnel exchange system (Head Office)

■ Training System for Ability Development

Mabuchi has established an education (training) system to provide employees with an opportunity to continue learning with a self-regulating mindset. We provide various training sessions and programs according to the levels of employees, such as training for new employees, young mid-level employees, mid-level employees, and supervisory employees, and a strategic management program.

■ Work-life Balance

We are striving to create an environment in which employees can lead a flexible life at various stages of their lives, such as child-raising and middle or older-aged stages, both at home and in the community while continuing to work with a sense of fulfillment at the company.

Adopting the Family-friendly Measures promoted by the Ministry of Health, Labour and Welfare, we have put in place the following measures to enable employees to balance their work with child-raising or nursing care.

- Parental leave (three years)
- Support for self-improvement during parental leave
- Leave for childbirth by spouse: Acquisition rate 100%
- Low-interest loans for fertility treatment
- Discount coupons for babysitting services
- Nursing leave (one year)
- Support for self-improvement during nursing leave
- Short working hours and exemption from overtime work for parental and nursing leave

■ Promoting Employment of Persons with Disabilities

We are promoting the employment of persons with disabilities aimed at realizing a society in which they can work based on their ability and aptitude and lead an independent life in the community in the same way as persons without disabilities.

At present, at Dalian Mabuchi persons with disabilities account for 1.7% of all employees (as of Dec. 2012), exceeding the target rate designated by China's employment ordinance. We will continue to improve the work environment to enable each of them to work comfortably by providing measures that address their needs during work and at other times.



Creating a congenial work environment for persons with disabilities (Dalian Mabuchi)

■ Keeping a Health Body and Mind

We believe that employees' healthy bodies and minds are the base of their good social life and the source of Mabuchi's vitality. Therefore, we started a mental health program at the Head Office more than 20 years ago that includes mental health checks, care given by in-house counselors, and mental health seminars.

Also, the company pays a portion of the expense when employees who are 35 years or older undergo a complete medical check. It also provides health counseling by industrial doctors and the Health Class for Employees to help them avoid lifestyle-related diseases.

Overseas bases also strive to keep employees' bodies and minds healthy by implementing measures suitable for the conditions of each country or region.



Mental Health Seminar
(Dongguan Mabuchi)



Van for breast cancer screening
(Taiwan Mabuchi)



Tai-chi Class
(Dongguan Mabuchi)

■ Support for Book Reading

Dongguan Mabuchi has set up a library in the factory so that employees can make good use of their spare time and improve their knowledge and minds through reading. In 2012, a total of 263 employees donated 687 books to the library in response to the donation campaign of books they wanted their co-workers to read.

A book report contest (500–1,000 words) was also held and one first prize winner, three second prize winners, and five third prize winners were selected.



Awards ceremony for the winners of the book report contest
(Dongguan Mabuchi)

■ Educational Support System and Qualification Incentive System

○ Support System for English Learning

We are working to create an English learning culture throughout the company by providing a variety of learning opportunities to employees (Group application for the TOEIC test, TOEIC test preparation class, short-term overseas study program, and trainee program) with a view to promoting their contributions to international society.

○ Qualification Incentive System

We are promoting employees' self-development by establishing the Qualification Incentive System with a view to creating a self-learning atmosphere in the company and encouraging employees to acquire a wide range of knowledge useful for business operations.

○ Self-Access Learning (SAL) Room

The SAL room was opened in the company as the place for activities such as having a group discussion or studying according to their levels and targets to take language or other qualification tests. As various educational tools are in place, including personal computers, wireless Internet systems, educational software, and books and magazines, employees who wish to continue self-development can do so in this room before and after work and during their lunch break.



Language lesson given by an internship student from overseas
(SAL Room)

Voice



Visiting America Mabuchi in the Trainee Program

I am now able to consider my work in terms of the entire Mabuchi Group as America Mabuchi's staff taught me accounting and it helped me a lot to deepen my understanding. I also enjoyed my stay in the US doing various things, such as watching TV and visiting ethnic restaurants. I am grateful for being given such an exciting opportunity.
(Employee of the Head Office)

* Trainee Program: Employees are sent to overseas bases to improve their business English while working as an assistant to local employees.

■ Various Events for Employees and Families

We hold a variety of events every year to enhance communication and build a sense of unity and company loyalty among all employees.

Employees and their families including retired employees are invited to the garden party held in the Head Office grounds every fall. Attractions such as food stands, games, and lotteries are operated by managers and employees' groups.

Each overseas base including Dalian Mabuchi and Dongguan Mabuchi also hold many events regularly, including sports festivals, company trips, and cultural festivals.



Bowling tournament (Head Office)



Garden party (Head Office)



Sports Festival (Dalian Mabuchi)



Employees performing a dance at the cultural festival (Dalian Mabuchi)



Participating in the walking event for health promotion held by Dalian City (Dalian Mabuchi)



Seminar on China's Confucian culture (Dongguan Mabuchi)

Support for Manufacturing / Education

Mabuchi aims to contribute to the development of society by extending various types of support to local communities and international society. This is an effort in line with our management principle “Contributing to international society and continuously increasing our contribution.” As one such activity, we provide educational support to the youth who will lead the next generation to help them grow up surrounded by the joy of science and manufacturing.

Co-sponsoring Robot Contests

Mabuchi has been co-sponsoring the National Technical College Robot Contest and the ABU Robot Contest since 2002 and the College Robot Contest since 2004 by providing motors and funds for them. We support these events in the hope that we can help to foster future engineers and develop science and technology.

Providing Motors

Support for National Technical College Robot Contest - approx. 1,200 motors



RS-555VC with gear head (upper)
RS-385PH with gear head (lower)



JC/LC-578VA
Others



College Robot Contest 2012



ABU Robot Contest 2012



National Technical College Robot Contest 2012

Dispatch of Science Instructors

We have been sending our employees to elementary schools in the Head Office area (Matsudo City) as science instructors every year since 2008.

Jiangsu Mabuchi has also been sending employees to the Japanese elementary school in Suzhou, China as science instructors since 2011.



Pupils intently listening to a science instructor



Science class given by an employee of Jiangsu Mabuchi

Summer Vacation Handicraft Class

We hold the “summer vacation handicraft class for parents and children” every year for children (fourth through sixth graders) living in the area around the Head Office (Matsudo City). Children make movable handicraft items using a motor and other familiar waste materials together with their parents, with assistance from instructors who are our employees. All parent-child pairs produce nice work every year and they have big smiles when their artworks start moving.



One assistant instructor is assigned to each group



Simple generator and rotating base

Workplace Experience for Pupils

We regularly accept pupils from elementary schools in the community to cooperate in the career education at school.

Dalian Mabuchi invites students of the Hope Junior High School, to which it is providing support, to show them the workplace.



Workplace experience at the Head Office's Technology Center



Workplace experience at Dalian Mabuchi

Internship Program

We hold an internship program for college students to provide them with an opportunity to deepen their understanding of Mabuchi's policy through actual work.

In 2012, we accepted college students from the US and Japanese students from a technical college in the Head Office area.



Exhibition and Support for Events at the Science Museum

Mabuchi has been presenting a permanent exhibition at the Science Museum (Chiyoda-ku, Tokyo) since 1983 to support scientific education for the youth. Displays include an explanation on the mechanism of motors, various motors used in our daily lives, and handicrafts powered by a motor.

Also, we have been holding science experiment classes on such topics as the principle of a motor's rotation in cooperation with the museum since 2009.



Science experiment class given by Mabuchi's technical staff

Voice

Internship student from the US

I took measurements using actual equipment and also had exchanges with technical staff working on product development. Through this experience, I found that manufacturing was very exciting.



Scholarships and Support for School Construction

Dalian Mabuchi has been providing educational support to local communities since 1996. This contribution has been commended by the local government more than once.



Received the 2012 Hope Project Contribution Award from the Dalian municipal government



Pictured with pupils of the Dalian Mabuchi Hope Primary School



Library of the Hope Primary School with books donated from Dalian Mabuchi

Supporting Local Communities

Mabuchi has actively been conducting various activities in each community, including an activity to protect the environment, an activity to support recovery from natural disasters, and social and welfare activities.

Support for Recovery from the Great East Japan Earthquake

The Mabuchi Group sent relief money to the areas affected by the Great East Japan Earthquake that occurred on March 11, 2011, hoping that it would be used to help the people there and recover the areas.

We also held the Mabuchi Motor Handicraft Class for children in September 2012 at the Oozashi Jusanhama Children's House which was constructed in a special restoration activity for the Oozashi area in Jusanhama, Kitakami-cho, Ishinomaki City, Miyagi Prefecture.



Tree-planting and Cleanup Activities

We conduct greening and cleanup activities around the factory and in other areas in the community as Mabuchi's Group-wide activities.

Cleanup Activities around the Factory



(Ludong Mabuchi)



(Dalian Mabuchi)



(Yingtian Mabuchi)

Planting Activities



(Daojiao Mabuchi)



(Dalian Mabuchi)



(Dongguan Mabuchi)

TOPICS



Mabuchi Group employees take part in a variety of social contribution activities as volunteers.

In 2012, one Dongguan Mabuchi's employee (right) who had participated in local contribution activities more than 80 times as a volunteer during the two years of 2010 and 2011 was commended by the Dongguan municipal government as an "Excellent New Dongguan Citizen."

■ **Blood Donation**

Mabuchi employees actively cooperate in blood donation as a Group-wide activity.



Head Office



Taiwan Mabuchi



Dongguan Mabuchi

■ **Support for Global Environmental Conservation**

We actively cooperate in and extend support to the activities for global environmental conservation.



Participated in the marching campaign by 1,000 cyclists riding on low carbon bicycles, an event held by the Dongguan municipal government (Dongguan Mabuchi)



Employees promote activities for global environmental conservation (Dalian Mabuchi)

■ **Support for Social Welfare**

Mabuchi employees regularly visit children's homes and institutions for the elderly to extend a helping hand as a Group-wide activity.



Visiting a hospital for leprosy patients (Dongguan Mabuchi)



Visiting an institution for the elderly (left: Dongguan Mabuchi; right: Dalian Mabuchi)



Employees bring moon cakes to the St. Joseph Welfare Organization during the mid-autumn festival every year (Taiwan Mabuchi)

Mabuchi began to introduce the “Environmental Management System ISO 14001” in 1999 and all our bases including the Head Office have already acquired this certification. In addition, we carry out environmental management actively by setting an individual environmental target for the entire Mabuchi Group, the Head Office, each overseas base, and each department, and managing them rigorously through the plan-do-check-act (PDCA) cycle. Upholding the Mabuchi Group Environmental Policy revised in 2012, we will continue to implement a high level of environmental conservation activities while improving the environmental management system on an ongoing basis.

■ Environmental Management System

The environmental management system of the entire Mabuchi Group is supervised by the director who holds the position of the Environmental Management Representative. The Environmental Management Committee is established at the Head Office. This committee is comprised of the chairman, who is the Environmental Management Representative, and general managers of each department. They discuss and determine the Mabuchi Group’s environmental policy, objectives, and measures to be taken. Also, we have set up the Chemicals Task Force and the Energy Saving Task Force under the Environmental Management Committee. Those task forces propose measures in each specialized area and promote environmental preservation activities.

■ Environmental Audits

Conformance of our environmental management system to the ISO requirements and the current effective management status of the system are audited by an external certification body (third party) and the internal Audit Department every year.

Through these audits, we maintain and improve the level of our environmental management continuously.



Mabuchi Group Environmental Policy

We carry out our corporate activities without sacrificing the environment or human health. We also strive for continuous improvement through our environmental management system, and aim at achieving a sustainable society.

1. We observe environmental related laws and regulations, and make diligent efforts to prevent pollution. We are always aware of the impact of our business activities on the environment, and manage the impact by establishing our own standards.
2. In order to reduce environmental burdens associated with our business activities, we focus on the following:
 - 2.1 In order to reduce CO2 emissions and to effectively utilize limited resources, we actively work on energy saving, resource saving, recycling, and waste reduction.
 - 2.2 In our products and production processes, we thoroughly manage any substances of concern and seek to switch to equivalent alternative substances as much as possible.
 - 2.3 We perform “green procurement” activity using environmentally-friendly parts and materials.
 - 2.4 Being aware that the protection of biodiversity is a significant corporate objective, we promote eco-friendly approaches.
3. In order to raise the environmental awareness of all our employees, we actively conduct environment-related educational activities.
4. We familiarize all of our employees with this environmental policy, and announce the policy to outside parties.

Established: September 27, 1998
Revised: November 7, 2012

Mabuchi provides wide-ranging information on its environmental policy and environmental management activities to both inside and outside the company through a variety of media. We hope our customers and people at large in addition to our employees will have a deeper understanding of our approach to environmental conservation and related activities through our environmental communication.

■ Publication of Social & Environmental Report and Environmental Information on Our Website

We have been reporting the results of our social contribution and environmental conservation activities since 2001 by publishing the Environmental Report and putting it on our website (the report title was changed to the Social & Environmental Report in 2008).

The Sustainable Development Report published by Dalian Mabuchi was commended as the year's best environmental report by the Environmental Protection Bureau of the Dalian municipal government for three consecutive years from 2010 to 2012.



Information on social contribution and environmental activities on our website (left) and Dalian Mabuchi's environmental report (right)

■ Environmental Communication to Communities

We actively extend our environmental communication to a variety of parties in the community around our companies, including residents, other companies, administrative offices, and customers.



Activity to raise citizens' awareness of environmental conservation (Ludong Mabuchi)

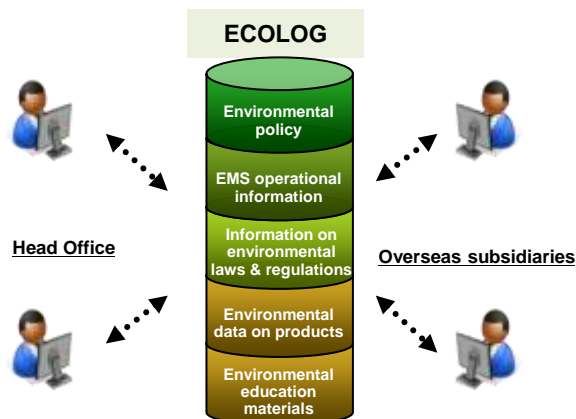


Quiz on environmental conservation held for employees (Dalian Mabuchi)

■ Sharing of Environmental Information among Employees

We have created a database called the ECOLOG on our intranet and put it into operation to allow personnel to share environmental information. All Mabuchi Group employees around the world including those at the Head Office, share a variety of environmental information through this database.

We also periodically publish feature articles on environmental information in our newsletter to introduce the present status of Mabuchi's environmental responses and the latest environmental information, with a view to increasing the environmental awareness of employees.



■ Slogan and Poster Contest for Environmental Consideration

To enhance the environmental awareness of employees, the Slogan and Poster Contest Promoting Environmental Consideration has been held annually since 2006 as a Group-wide event.



Winning works in 2012 displayed at the Head Office

■ Environmental Education

Mabuchi's environmental education and training system is organized according to the purposes and levels of employees. We provide education and training to improve their awareness of and ability with regards to the environment.



Education on how to sort waste (Head Office)

Winning works in 2012

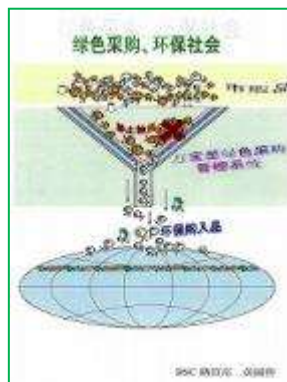
◇ Slogan Category

- 節能生產, 從自身做起, 降耗活動, 從現在開始
(We can start energy efficient production and energy-saving activities right now.) (Ludong Mabuchi)
- 禍從污染起 福自環保來
(Happiness comes from ecology and evil comes from pollution.) (Dalian Mabuchi)
- **KHÓA NƯỚC, TẮT ĐIỆN, NHẬT RÁC. HÃY HÀNH ĐỘNG NHIỀU HƠN LÀ NÓI.**
(Close the tap, turn off the light, and dispose of waste. Act before talking.) (Danang Mabuchi)

◇ Poster Category



"Save energy, then we can change our future"
(Taiwan Mabuchi)



"Let's protect our environment through green procurement"
(Dongguan Mabuchi)



"Energy-saving starts from just turning off the light"
(Dongguan Mabuchi)

By setting our own special evaluation criteria in addition to laws, regulations, and customer requests, Mabuchi strictly controls environmentally prohibited substances designated in those standards so that they will not be included in the parts and materials we procure for products.

Promotion of Green Procurement

We make it a rule that suppliers must follow the green procurement procedure shown in the flowchart below and submit documents certifying that environmentally prohibited substances are not contained in their parts and materials, in addition to an environmental activity survey sheet. When selecting suppliers, we evaluate each supplier's various environmental conservation activities in addition to the conventional evaluation factors of quality, cost, and delivery.

We also promote communication with our suppliers and actively conduct audits on their use and storage of environmental burden causing substances.

Thanks to these activities, we have received no environmental complaints from our customers since the enforcement of the EU's RoHS Directive in fiscal 2006.

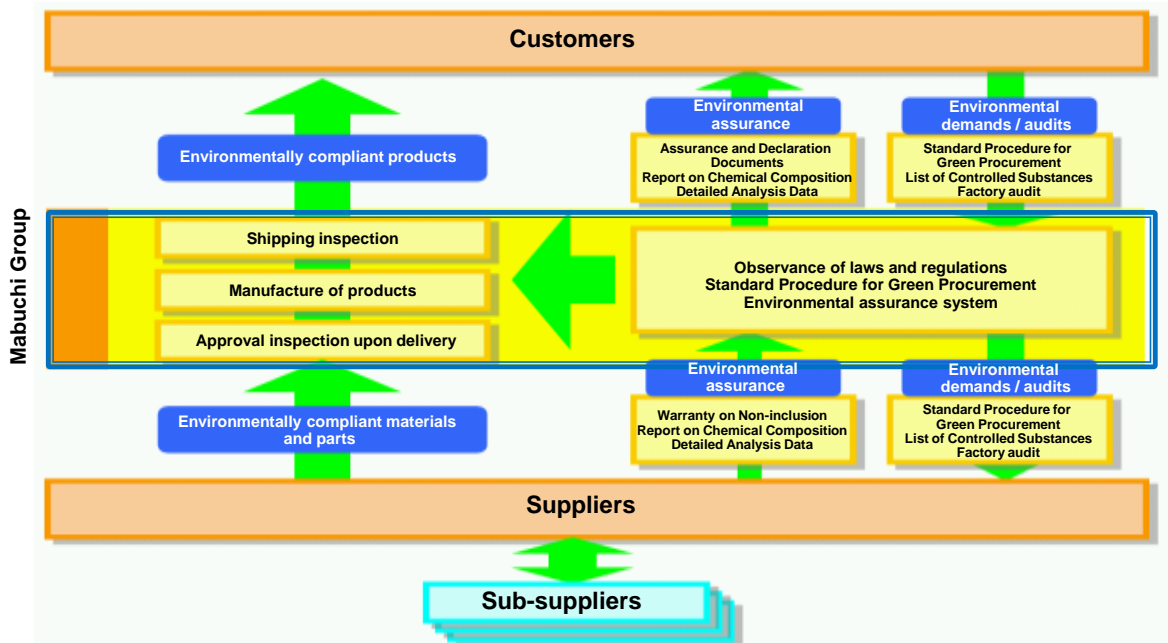
We held the Explanatory Meeting on Green Procurement at all our bases in 2006. Because we have added new suppliers since then, once again we have been holding such an explanatory meeting at each base since 2011. In June 2012, an explanatory meeting was held at Taiwan Mabuchi mainly for new suppliers in the Taiwan area. We explained our management requirements on environmentally prohibited substances and asked them to strictly observe our green procurement procedure to minimize risks.

Suppliers obtained a better understanding of Mabuchi's green procurement system through this meeting. We will continue to promote green procurement activities.



Explanatory meeting on green procurement in 2012 (Taiwan Mabuchi)

Green Procurement Flowchart



Manufacturing Eco-Friendly Products

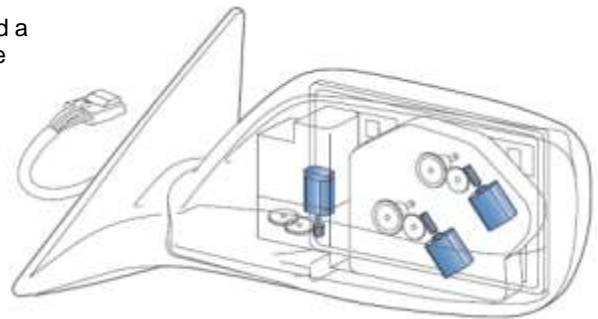
As a manufacturer specialized in small DC motors, Mabuchi has developed and supplied novel motors for a variety of markets and applications by exploring their new possibilities to meet the needs of customers. Maintaining our policy of not including hazardous substances in the motor products, we will continue to protect the global environment by focusing on the entire life cycle of motors with a particular emphasis on size reduction, power saving and higher output, and a higher recycling rate.

Motor to Improve Environmental Performance of Automobiles

Our new motor for automotive side mirrors, SF-136SA, which was launched on the market in 2012, has realized a lighter and smaller body while maintaining higher torque compared with previous motors.



SF-136SA



◇ Features of SF-136SA

(1) Improved fuel efficiency and adaptability to mechanical diversification

Both the dimensions and weight have been reduced to approximately two-thirds of the previous motors while maintaining a higher torque compared with those motors.

(2) Reduced noise and vibration

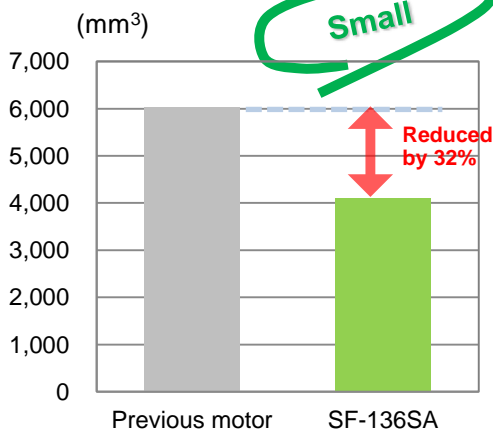
Sound pressure and vibration levels have been significantly improved (noise and vibration levels have been reduced to approximately one-fourth).

(3) Others

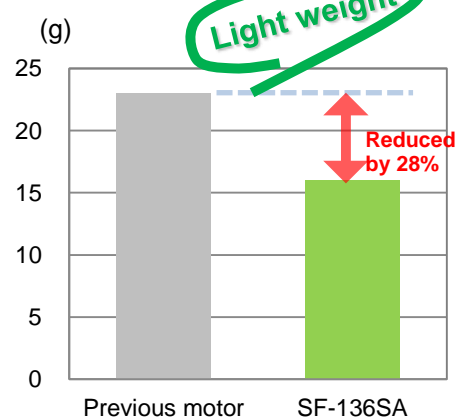
- Many options
- Easy pulse counting*
- Contains no rare earths
- Low electric noise
- Reduced CO2 emissions during the production process
- Copy protection measures in place

* Pulse count: a technology necessary for adjusting automotive mirrors to a predetermined angle when the car is put in reverse gear.

[Dimensions]



[Weight]



Mabuchi plays a part in the production of eco-friendly automobiles by developing smaller and lighter motors that can contribute to higher fuel efficiency and lower CO₂ emissions.

Motor to Improve Environmental Performance of Office Equipment

Newly developed motors, ID-529XW and ID-549XW, used for business equipment such as MFPs* have achieved a significant improvement in environmental performance with their reduced size, lighter weight, and higher energy efficiency. They are DC brushless motors with a combined benefit of low noise and high controllability. With a built-in drive circuit and encoder, these ID Series motors can reduce the load imposed on the systems of customers' products, thereby contributing to an overall cost reduction.

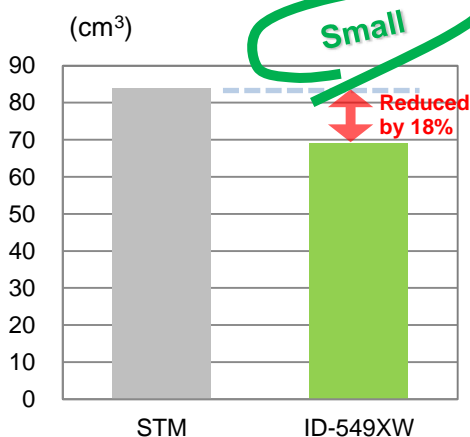


ID-549XW (Left)

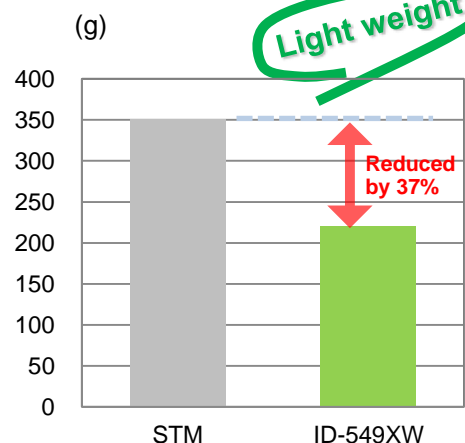
ID-529XW (Right)

*MFP: Multi Function Printer

[Dimensions]



[Weight]



In the business equipment field, Mabuchi also plays a part in the production of eco-friendly products by developing smaller and lighter motors that can contribute to resource-saving, increased energy efficiency, and lower CO₂ emissions.

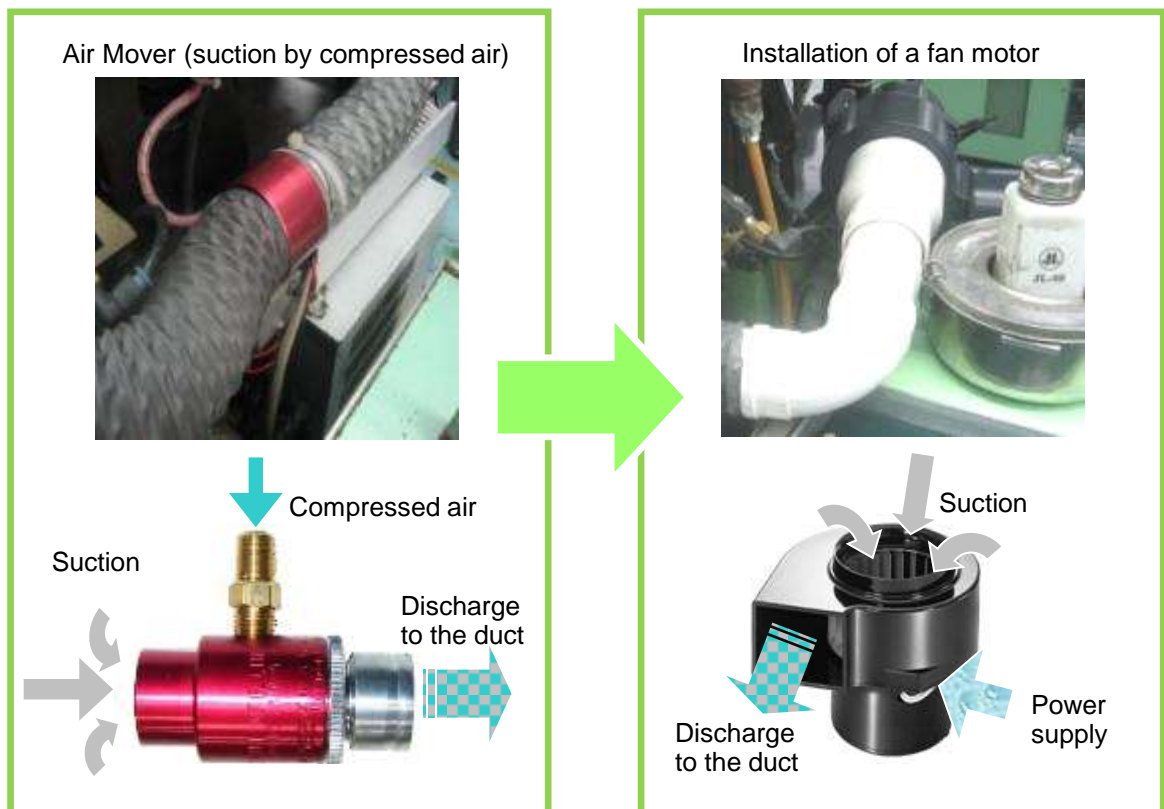
STM: Stepping Motor, two-phase HB type with an equivalent output

Mabuchi is also striving to take environmental friendly measures in the production process of motors, such as energy efficient measures and resource-saving measures.

Case 1

Reduction of CO₂ Emissions

We changed the method of sucking in the smoke generated during the welding process from one that uses compressed air to one using energy-efficient fan motors. It was a change from a suction method that used energy inefficient compressed air to one using an energy efficient motor. As a result, it became possible to reduce energy consumption without diminishing the suction power, and annual CO₂ emissions were reduced by about 2,300 tons.



Case 2

Less Use of Consumable Parts

We re-examined the welding method and the material of the electrode used for welding a commutator and a magnet wire. From this effort, we reduced the use of consumable parts by 23% over the previous years. Not only was resource-saving achieved but also the motor quality was improved.

Case 3

Less Use of Indirect Materials

We re-examined the application method of indirect materials which are used during the production process of motors. As a result, we were able to reduce their use by 48%, achieving an effective utilization of resources at the production site.

Efforts to Reduce CO₂ Emissions

We have been taking a range of measures to prevent global warming as a concerted effort of the entire Mabuchi Group, including overseas production bases. As Mabuchi's CO₂ emissions mainly come from the use of electricity, we put particular focus on reducing electricity consumption.

Reduction Effort at the Head Office

The Head Office has been striving to reduce CO₂ emissions over the years.

We have decided to continue some of the emergency measures we took to cope with electricity shortages when the Great East Japan Earthquake occurred on March 11, 2011 as our long-term measures.

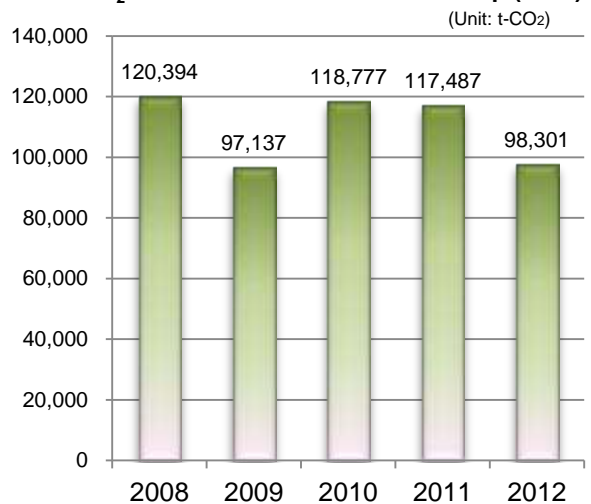
We have also re-examined the production processes of overseas bases and improved production equipment. As a result, the CO₂ emissions of the entire Mabuchi Group were reduced by 16.7% in 2012 over the previous year.

The electricity usage at the Head Office's Technology Center was also reduced in 2012 as the previous ice storage type of heat supply system was replaced with a 24H type of heat supply system and several pumps were removed.



Newly introduced 24H type of heat supply system (Head Office's Technology Center)

CO₂ Emissions of the Mabuchi Group (2012)



* This graph shows the results calculated from the data of Mabuchi Motor's Head Office and major overseas production bases.

Reduction Effort at Overseas Production Bases

Overseas production bases are also striving to reduce CO₂ emissions by implementing measures, such as improving their production processes and equipment and adopting energy-saving utility equipment for factories.

Dongguan Mabuchi reduced its annual electricity usage per fan motor by 25,396 Kwh by optimizing the volume of exhaust air with the application of an inverter to each fan motor.



Each overseas base is also working to reduce energy usage by regularly measuring the air volume and adjusting it to an optimal volume at the production equipment that uses compressed air.



Environmental Risk Management

Mabuchi manages chemical substances stringently and conducts emergency response drills regularly in order to prevent accidents (environmental accidents) that could have a serious impact on the environment.

We also conduct surveys and analyses to find soil and water contamination and take immediate action if we detect residual hazardous chemical substances that were used in the past.

■ Emergency Response Drills

We conduct emergency response and reporting drills more than once a year by projecting various scenarios appropriate for each location so that the occurrence and spread of environmental pollution can be prevented even in a disaster.



Emergency response drill at the LPG storage area (Dalian Mabuchi)



Emergency response drill to prevent environmental pollution in the event of a septic tank accident (Head Office)



Emergency response drill to deal with leaked chemicals (Ludong Mabuchi)



Emergency response drill to prevent the leak of oil from condensers (Head Office)

■ Effort for Soil Decontamination

In the independent soil contamination research conducted in 2002, contaminated soil was found in a part of the Head Office site. We reported this situation to the relevant authority (Matsudo municipal government) and started decontamination work.

In 2004, we investigated whether there was any soil contamination at the site of our subsidiary upon the closure of the factory and detected soil contamination. We immediately reported this situation to the Gunma prefectural government and started decontamination work.

Decontamination of areas having a high level of contamination at the above two locations has already been completed, but decontamination of areas with a low level of contamination is still continuing.

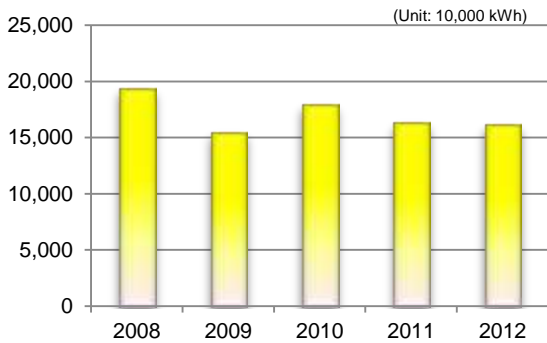
The decontamination results and future policy are reported to the Matsudo municipal and Gunma prefectural governments every year and we initiate the next year's decontamination work after obtaining their approval.

We will continue our decontamination work steadily.

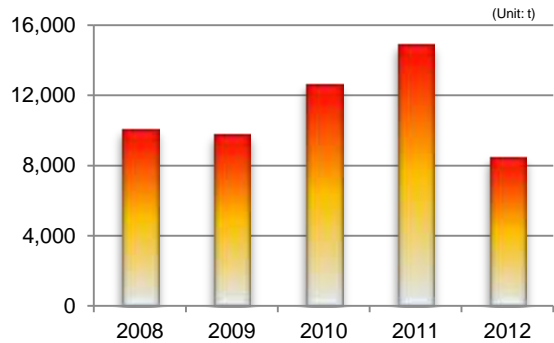
Report of Environmental Data

* This graph shows the results calculated from the data of Mabuchi Motor's Head Office and major overseas production bases.

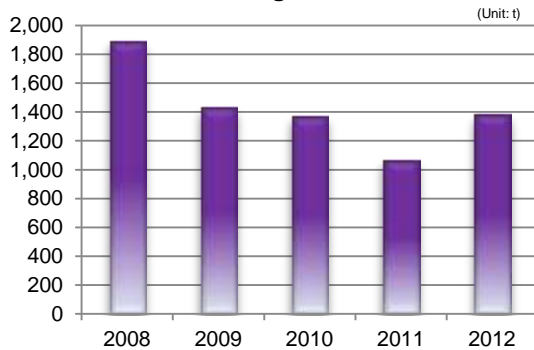
Total amount of electricity purchased



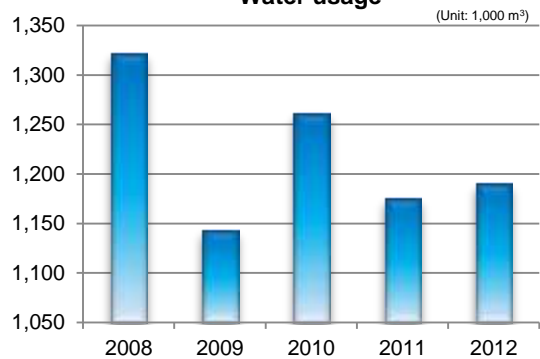
Total volume of coal used



Waste generated



Water usage



	Unit	2008	2009	2010	2011	2012
Total amount of electricity purchased	(10,000 kWh)	19,464	15,568	18,049	16,454	16,443
Total volume of coal used	(t)	10,135	9,836	12,685	14,986	8,551
Waste generated	(t)	1,899	1,436	1,377	1,069	1,387
Water usage	(1,000 m³)	1,323	1,144	1,262	1,176	1,191



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